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Chapter Title: The Political Economy of Segregated Schools: Explaining the U-Shaped Pattern

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3 The Political Economy of Segregated Schools: Explaining the U-Shaped Pattern

Relative (black-to-white) per pupil expenditures in southern public schools followed a U-shaped pattern over time: an initial period of relative similarity in the late nineteenth century, followed by a pronounced shift towards inequality around the turn of the century that persisted for forty years, and then a trend towards equalization in the 1940s. The initial deterioration in the relative quality of the black schools was a consequence of widespread disenfranchisement of blacks and of growth in demand for better white schools. Although there were incentives and institutions that ensured that public funds would continue to flow to the black schools after disenfranchisement, these forces were not sufficient to eliminate the gap in school spending. Rather, the trend towards equalization in the 1940s only took place as the consequence of a concerted legal effort, in the context of changed social, political, and economic circumstances.

3.1 The Disenfranchisement Hypothesis

Between 1890 and 1910 per pupil expenditures in southern black schools fell relative to per pupil expenditures in white schools. Most scholars attribute the decline to two factors.¹ One, southern blacks lost political clout in the late nineteenth century and with it, influence over how school revenues were allocated. Two, the demand for better white schools increased after the turn of the century. This demand was met by a combination of higher school budgets and, in some cases, by shifting resources away from the black schools.

The history of voting rights in the postbellum South is a sorry tale.² During Reconstruction (1866–77), southern blacks enjoyed a modicum of political power under Republican governments established after the Civil War and maintained by a federal military presence. Funds for social services were greatly increased or provided for the first time, such as public schools for

black children. Blacks were elected to public office, and served in many state and local capacities. Taxes to pay for the expansion in government spending fell largely on the ex-slaveholding planter class.

With the end of Reconstruction the political clout of blacks, and that of poor whites as well, suffered a reversal. Reconstruction governments were replaced by Redeemers, southern Democrats intent on restoring the political supremacy of the white elite. State budgets were reduced and services, particularly education, were cut back. Laws were amended to allow the state government to appoint local officials, who previously had to be elected to office. Whomever controlled the state government—and the Redeemers were in command—controlled the distribution of government spending at the local level. Through a combination of intimidation, violence, and outright fraud, the influence of black voters was reduced. Formal disenfranchisement, in the sense of laws that deliberately restricted the franchise, would come later. The Redeemers feared that such legislation would invite a second Reconstruction, and so settled for informal means of curtailing voting rights.

Key (1949, 533) argued that the informal means were so successful that disenfranchisement was a *fait accompli* by the time suffrage restrictions were formally enacted. An important book by Morgan Kousser (1974) shows, however, that Democratic hegemony was far more precariously based. Pockets of Republican strength survived and occasionally flourished after Reconstruction, and the possibility that the Republican (or another opposition) party might return to office still existed.

The possibility nearly became reality with the Populist revolt of the 1890s. The rise of Populism had many causes, but there is no doubt that a key factor was the devastating economic downturn of the early 1890s. Populist candidates attempted to register poor white and black voters, included members of both groups on party slates, and generally sought to redistribute political and economic power away from Redeemers and their supporters.

To combat the Populist menace, Democrats resorted to the same methods they used in the 1880s—violence, race-baiting, and fraud—only this time they followed up by enacting suffrage restrictions into law. The restrictions did not take the form of explicitly prohibiting the right to vote on the basis of race or party affiliation, although some came very close. Frequently the right to vote was made conditional on literacy, property ownership, residency, or payment of a poll tax.³ A person might have to demonstrate his ability to read and write by passing a test administered by a local official. Aside from the fact that the official determined who passed the test, near-illiterates never bothered to try, not wishing to reveal their ignorance publicly. A Louisiana law allowed illiterates to register if they owned at least \$300 worth of taxable wealth, a sizable amount. Other states made registration conditional on residency in an area for a year or longer, which was difficult or impossible for farm laborers. The poll tax was usually a nominal sum, but it might have to be paid at a time

and place different from voter registration. If the registree had neglected to pay the tax in previous years, the tax due would be cumulative. To ensure the laws would not cut too heavily into the white electorate, "grandfather" clauses were enacted which exempted ex-Confederates from meeting certain requirements provided that they registered within a grace period.

The effect of suffrage restrictions was, nevertheless, to curtail voting by poor whites and virtually decimate the black electorate.⁴ Overall, white turnout declined by 26 percent and black turnout by 62 percent, comparing gubernatorial and presidential elections before and after suffrage restrictions were enacted (Kousser 1974, 240).⁵ The "Solid South" was the product of deliberate actions aimed at restricting the size of the electorate and its racial and economic composition.

Equally deliberate were the consequences of disenfranchisement for the racial distribution of public expenditures. "At the same time" that political rights were being abridged, "southern state and local governments increased their discrimination against blacks in the only important service those governments provided—education. . . . Discrimination in voting, in other words, paralleled discrimination in government services, a condition unlikely to have been coincidental" (228–29).

The effects of disenfranchisement on school spending, however, were more complex than a pure redistribution of school revenues from blacks to whites. The story can be told with the aid of a simple model. Imagine that the preferences (V) of a typical adult white can be summarized by the following equation:

$$(1) \quad V = V(e_w, Y - \mu z)$$

Y is the person's income, e_w is spending per white pupil, z is school budget per pupil, and μ is the fraction of the financing of the school budget borne by whites. Spending per white pupil is related to spending per black pupil (e_b) via the school board's budget constraint:

$$(2) \quad e_w \delta + e_b(1 - \delta) = z = s + t$$

δ is the proportion of pupils who were white; and in per pupil terms, the school board budget, z , consists of state school funds, s , and local school taxes, t . Equation (2) can be rewritten to show the dependence of e_w on e_b :

$$(3) \quad e_w = z/\delta - [1 - \delta]/\delta e_b$$

Differentiating with respect to z and setting the result equal to zero gives the individual's preferred level of the school budget, z^* , which solves

$$(4) \quad V_1/V_2 = \mu/\alpha$$

Here $\alpha = de_w/dz$, the fraction of a one-dollar increase in the school budget going to the white schools (the subscripts in [4] are partial derivatives). The

left-hand side of (4) is the individual's demand curve for expenditures in the white schools, e_w . The right-hand side is the "price" of raising white school spending, that is, the burden on whites of an increase in the budget divided by the fraction of the increase going to white schools. Disenfranchisement caused the "price" of white schooling, μ/α , to decline, and thus the demand for e_w rose.

Only part of the increase in white per pupil expenditures from 1890 to 1910, however, was a pure redistribution from black to white schools from a fixed "pie," that is, with a constant level of z . Consider the case of Mississippi. Between 1890 and 1910 real expenditures per black pupil in Mississippi fell, on average, by \$1.60 (see Table 2.6). In 1890 55 percent of the children attending Mississippi's public schools were black. Using equation (3), such a decline in black spending would cause an increase in average white spending of \$1.96 ($= 1.60 \times [0.55/0.45]$), holding z constant. The actual increase in white per pupil spending in Mississippi between 1890 and 1910 was \$9.26 (see Table 2.6). Thus redistribution of school revenues from blacks to whites accounts for 21 percent ($= 1.96/9.26$) of the increase in white expenditures in Mississippi. Similar results were obtained for the other states.

The rise in white per pupil expenditures between 1890 and 1910 was facilitated by institutional changes in school finance in the context of rising demand for better white schools. Growing demand and the concomitant institutional changes, which were coincident with disenfranchisement, led to increases in school budgets, frequently through the levying of local school property taxes. Prior to disenfranchisement, some southern states constitutionally limited or even prohibited the levying of local school taxes at the discretion of the electorate. Wealthy white landlords argued against local school taxes because they themselves bore, or so they believed, most of the cost and personally received few benefits. But, as long as the black and white schools received roughly equal per pupil allocations, many middle-class white parents, too, were opposed to higher school taxes because they, as a group, owned much more taxable wealth than blacks (Higgs 1982; Margo 1984a). A superintendent of Oconee County, Georgia thought it was wrong to "tax the whites to educate the blacks. This has made a skeleton of what otherwise would have been a corpulent and muscular man [the school system]" (U.S. Bureau of Education 1893, 1079). The state superintendent of North Carolina noted there was "much opposition to public schools in the State . . . because of the small amount of taxes paid by the negroes" (ibid.). Alabama's superintendent claimed that "in portions of the State the colored race gets well-nigh all the school fund, whilst that race pays a very small per cent of the taxes that make up that fund" (1075). The superintendent of Tipton County, Tennessee, bristled:

There seems nothing at present that promises to discourage the advancement of the public schools in this county further than that there is a growing

disposition on the part of the white people of the county, who pay ninety-five one-hundredths of the taxes, to discontinue the public education of the "brother in black" who, notwithstanding the fact that he pays less than five one-hundredths of the taxes of our county, receives more than 50 percent of the public-school moneys. This, the white people argue, is wrong, and should be remedied; and I heartily agree with them . . . the negro should bear the burden of his own education. (1893, 1080–81)

Eliminating blacks from the electorate removed this "obstacle" to white educational progress.⁶ It is no accident that state constitutions—Alabama, Louisiana, and North Carolina are examples—were amended after disenfranchisement to permit the levying of school taxes. It is also no accident that the "black balance of payments"—the amount blacks received in school expenditures less the black share of the school tax burden—declined after disenfranchisement (Smith 1973; Kousser 1980a).⁷

Not every county chose to increase expenditures on white schools by levying local school taxes, however. In some cases redistribution from blacks to whites was more profitable. Counties in which the black population share was high—the "black belt"—did not need higher local taxes to finance better white schools. If the black population share was 75 percent, every dollar diverted from the black schools yielded three dollars of additional spending per white pupil; at 90 percent, the rate of return was ten dollars for every dollar diverted (see eq. [2]). State school funds were typically allocated to counties on the basis of the total school age population (or enrollment or attendance) in the county; the funds were distributed to district school boards which had considerable discretion in how to spend the money. Black children had a "cash value" to local school boards because each was worth a certain amount of state educational aid (Bond 1934; Myrdal 1944, 341). In black-belt counties the total amount of state funds might be enough to support a good school for white children (who were relatively few in number) without local taxes, or at least ease the local tax burden on white property owners. "I have a local . . . tax in seven of ten wards," explained the superintendent of Caldwell parish in Louisiana. "In the three wards where there is no tax the principal population is colored and the whites in these wards have all the money they want to run the white schools" (State of Louisiana 1907, 60).

In poor, predominantly white counties, growth in school budgets was heavily dependent on state aid. State school funds typically were derived from taxes, legislative appropriations, interest on public lands, and miscellaneous sources; as a fraction of school budgets, their importance declined after disenfranchisement. Poor whites lacked the taxable wealth to finance better schools on their own (many were disenfranchised themselves); and, in any case, they needed their children to work on the family farm or in the labor market. Disenfranchisement led not only to a gap between white and black per pupil expenditures, but to greater inequality among whites as well (Bond 1934, 1939; Harlan 1958; Kousser 1980a).

3.2 Race, Politics, and Educational Change: A Case Study of Louisiana, 1880 to 1910

In this section many of the points just made are pursued in greater detail in an econometric analysis of the effects of disenfranchisement on school spending in Louisiana between 1880 and 1910.⁸ To the best of my knowledge, Louisiana was the only southern state to publish race-specific figures on voter registration. Although the voter registration data are known to be flawed, they still reveal the deleterious effect that disenfranchisement had on expenditures in Louisiana's black schools.

The Democratic party returned to power in Louisiana at the end of Reconstruction. One of the first acts of the "Bourbons" was to reduce the size of the state school fund. According to Hair (1969, 60) the brunt of the decline fell on the state's fledgling schools for black children, which had been established in the immediate aftermath of the Civil War. Statistics for 1879 confirm that the black schools were less well funded than the white schools. On average, expenditures per black pupil enrolled equalled 67 cents for every dollar spent per white pupil.⁹

Throughout the 1880s the Bourbons remained in power by exercising a level of election fraud virtually unmatched in the annals of American politics. In areas controlled by the Democratic party, such as the black-belt cotton parishes in the northern part of the state, ballot boxes were stuffed and votes thrown out or deliberately falsified. "We all admit that when it comes to our elections," declared black-belt Democrat Robert Snyder to the state legislature in 1890, "we suspend the law until the danger is passed" (Kousser 1974, 153). A former Republican governor during Reconstruction lamented that "after the polls are closed" in Louisiana, "the election really begins" (*ibid.*).

Most egregious was the practice of maintaining blacks on the registration rolls long after they left a parish, or this life. "A dead darkey," as the saying went, "always makes a good Democrat and never ceases to vote" (Hair 1969, 115). The reason for overstating the number of black registrars was that the size of a parish's delegation to the Democratic party's nominating conventions (held for the purpose of filling state-appointed positions, such as local school boards) depended on the Democratic count in prior elections.¹⁰ By inflating the returns, black-belt Democrats ensured their control over the state machine. "Only in the sugar-growing regions of South Louisiana where some influential Republican planters lived, were black men free to vote for more than one party" (113).

The Populist revolt hit Louisiana in the early 1890s, and by 1894 the threat was too large for the Bourbons to ignore. In that year the Bourbon-controlled state legislature passed literacy and property qualifications for the franchise, but the Populist outcry against the restrictions was so vociferous that the Democratic governor decided it was best to settle the issue by a referendum attached to the gubernatorial election in the spring of 1896. By then Louisiana's

Populists had “fused” with the Republican party. The Republican nominee for governor was John Pharr, a wealthy sugar planter.

The Populists were successful in stirring up black support for Pharr. Blacks “who had not attempted to vote in a dozen years” tried to register. In Opelousas, Louisiana, “the registrar . . . kept himself locked in jail to avoid the crowds of blacks who clamored to be added to the rolls.” Even in the black-belt cotton parishes, wealthy Democratic landlords had “an unusual amount of difficulty . . . discouraging Negro participation in the approaching election” (1969, 237–38, 259).

Despite the surge in black support, Pharr lost by 2,000 votes. Analysis of voting returns shows that the Democrats stole the governor’s office. In several predominantly black parishes, Pharr rolled up only a handful of votes, despite his known popularity with black voters (Kousser 1974, 157). Black-belt whites continued the practice of fraudulently stuffing the ballot box for their candidate. Yet the Populist threat had not vanished, for the referendum to restrict the franchise was soundly defeated. The fusion ticket had captured numerous seats in the state legislature, fraud notwithstanding, and was threatening a recount in the governor’s election.

In the end the Democrats prevailed. The recount resolution was repealed and enough legislative support was mustered to enact a new voter registration statute. The effect of the new law was to reduce black voter registration by 90 percent (1974, 163). When a convention was suggested to enshrine the suffrage restrictions in a new state constitution, the voters, now much reduced in number, approved.

In addition to the suffrage restrictions, the state constitution of 1898 contained one other change of significance. For the first time, state law permitted voters in a school district to vote local school property taxes. The joker was that those who would impose the taxes on themselves and others had to meet the new literacy and property requirements for the franchise.

Figure 3.1 shows the trend in public school revenue per pupil enrolled (in constant 1910–14 dollars) in Louisiana from 1886 to 1910. Prior to the 1898 constitution, parish school budgets primarily consisted of state aid that was allocated to them on the basis of the school-age population, independent of race; poll taxes on adult males; and the “police-jury” appropriation, a portion of general parish revenues (derived from a parish-wide property tax) allocated to the schools. The per pupil budget rose from the mid-1880s to 1896, before falling sharply in the wake of a severe agricultural downturn that gripped the state late in the decade. Budgets recovered in the early years of the century to their mid-1890s level, but it was not until after 1904 that school revenues increased substantially. The increase was partly a consequence of higher state allocations, but it was mostly due to an increase in police-jury allocations and, especially, the local property taxes authorized by the 1898 constitution. Between 1898 and 1904, 114 school districts opted for the local tax. By 1910 the number had increased to 1,200.

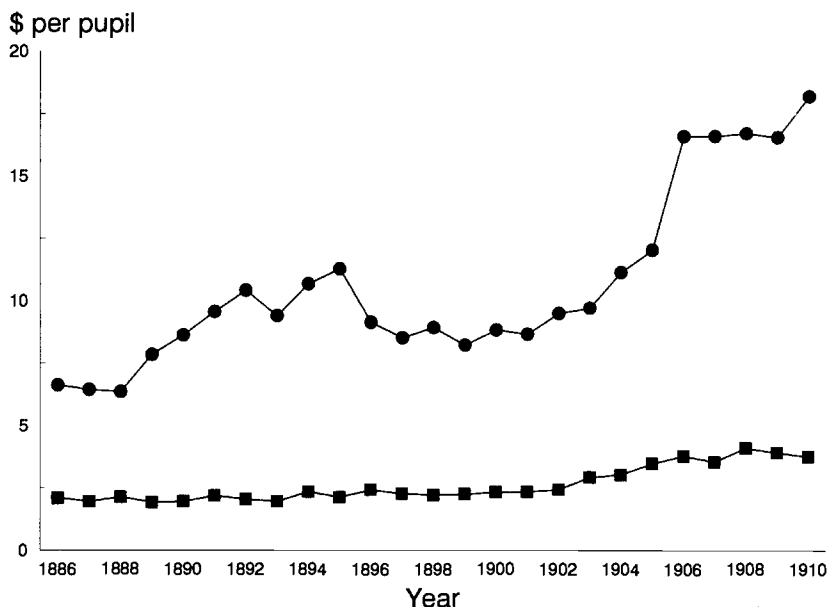


Figure 3.1 Public School Finance in Louisiana, 1886–1910

Notes: A circle indicates the total school budget per pupil enrolled; a square indicates the amount of state educational aid per pupil enrolled. All figures are in 1910–14 dollars; deflator is Warren-Pearson wholesale price index (U.S. Bureau of the Census 1975).

Source: Calculated from state school superintendent's reports (State of Louisiana 1887–1912a).

Figure 3.2 graphs expenditures on teacher salaries per pupil enrolled, by race, over the same period. Unlike the situation in some other states (for example, Alabama or North Carolina), in Louisiana expenditures per white pupil exceeded spending per black pupil throughout the late nineteenth century. Yet it is also clear that expenditures per black pupil were rising prior to 1896 as the per pupil budget was increasing. Furthermore, there was an upturn in the black-white expenditure ratio in 1895–96, at the height of the Populist threat (see Figure 3.3). It was only after the threat had passed that a pronounced decline in the black-to-white ratio of per pupil expenditures would commence. In 1896 the expenditure ratio stood at 0.4 for the state as a whole. In 1902, when the per pupil budget was only slightly higher than in 1896, the expenditure ratio was 0.3. After 1902, school budgets increased substantially, and it is obvious from the graphs that all, or virtually all, of the increase went to the white schools.

But the graphs do not tell the full story. One cannot read off them precisely what the numerical significance of disenfranchisement was. I have therefore estimated a cross-sectional county-level regression of the black-to-white expenditure ratio (BWEXP). The independent variables are the percentage of blacks in the county (%BK), the per pupil budget (PPB), and the percentage

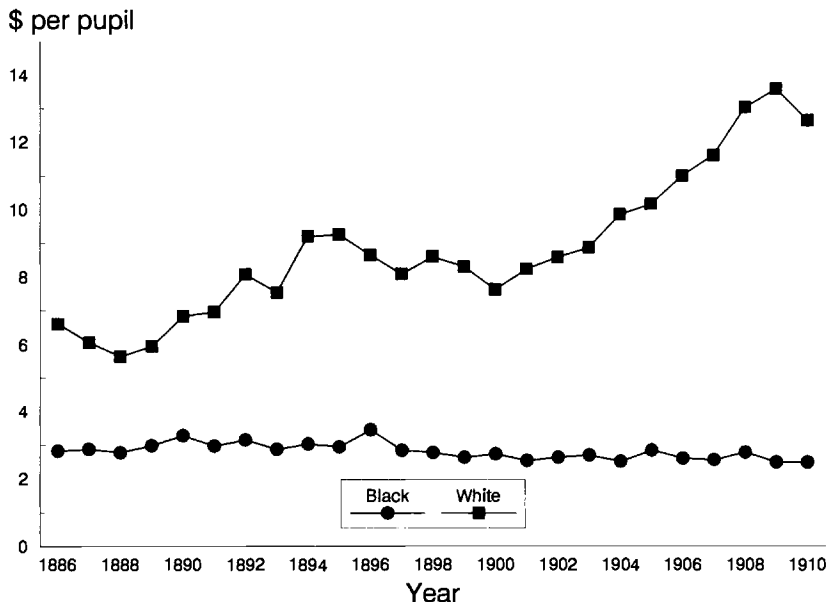


Figure 3.2 Expenditures on Teachers Salaries Per Pupil Enrolled: Louisiana Public Schools, 1886–1910

Notes: Expenditures are in 1910–14 dollars; deflator is Warren-Pearson wholesale price index (U.S. Bureau of the Census 1975). For 1886 to 1903, expenditures were estimated by multiplying the average monthly teacher salary times the length of the school year in months times the number of teachers per pupil enrolled.

Source: See Figure 3.1.

of registered voters who were black interacted with the per pupil budget ($\%BKV \times PPB$). The hypothesis is that black political clout ensured that the black schools would receive a share of any increase in school budgets. Thus the coefficient of the interaction term is predicted to be positive, although the coefficient of the per pupil budget could be negative. Data for 1896 were used to estimate the regression because, as the previous discussion suggests, it was in this year that the threat to Democratic rule reached its peak. The variables $BWEXP$ and PPB are in logs; $\%BK$ and $\%BKV$ are shares between 0 and 1. The results are

$$\begin{aligned}
 BWEXP = & 1.21 - 3.60 \%BK - 0.72 PPB + 0.47 PPB \times \%BKV \\
 & (2.84) \quad (5.65) \quad (2.54) \quad (1.30) \\
 N = & 57, R^2 = 0.55
 \end{aligned}$$

Absolute values of t -statistics are shown in parentheses.

The results support the disenfranchisement hypothesis. The coefficient of the interaction term is positive as predicted and statistically significant at about the 25 percent level. Note, too, the coefficient of the school budget: it is

Black-to-white ratio

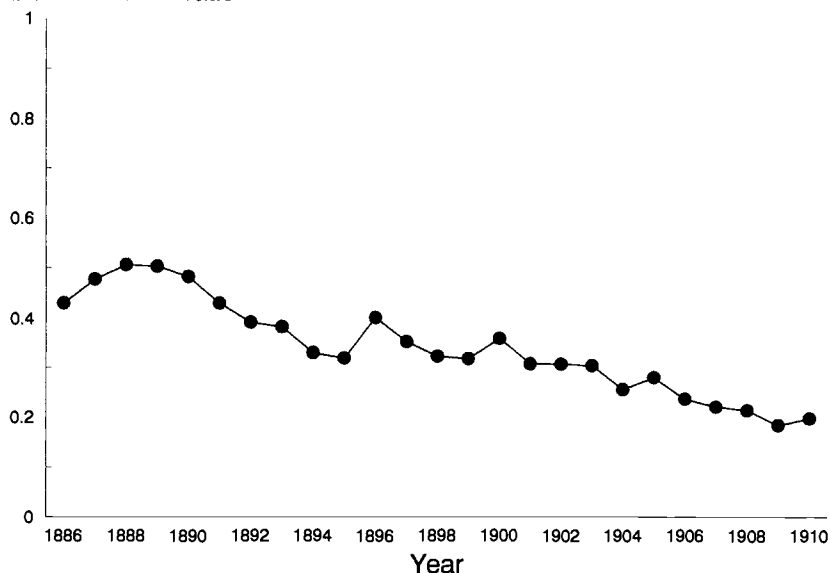


Figure 3.3. Black-to-White Ratio of Per Pupil Expenditures: Louisiana, 1886–1910

Source: See Figure 3.1.

negative, large, and statistically significant. Were it not for the potential threat the black vote represented, increases in school budgets would have gone much more heavily to the white schools (recall from Fig. 3.2 that expenditures per black pupil rose just prior to 1896).¹¹

Between 1896 and 1910 the black share of registered voters in Louisiana declined by 49 percentage points and, in log terms, the per pupil school budget rose by 0.69. According to the regression, these changes would predict a decrease in BWEXP of 0.16 ($= 0.47 \times 0.69 \times 0.49$). The actual decrease in BWEXP between 1896 and 1910 was 0.703 (in logs). The disappearance of blacks from the registration rolls accounts for 23 percent ($= 0.16/0.70$) of the decrease in the black-to-white ratio of per pupil expenditures.

This measure of the impact of disenfranchisement, however, is biased downwards for two reasons. First, because the registration data are known to be measured with error (black-belt fraud), the coefficient of the interaction term is biased towards zero in absolute value.¹² Second, it was after 1904 that school budgets began to rise significantly, yet only 10 percent of the increase in the per pupil budget between 1904 and 1910 was due to a rise in state educational funds. The rest was raised locally, primarily through increased allocations by police juries and the voting of local school taxes. The expan-

Table 3.1 Regressions of Per Pupil Budgets: Louisiana, 1890 and 1910

	1890		1910	
	β	<i>t</i> -statistic	β	<i>t</i> -statistic
Constant	1.30	8.50	2.98	28.40
Percentage black of enrollments	-0.25	-1.24	-0.48	-2.09
Adult males per pupil enrolled	0.76	3.68	0.16	1.05
Assessed wealth per pupil enrolled	0.28	1.59	0.43	3.36
Number of observations	53		54	
R^2	0.77		0.49	

Note: Dependent variable is log of school budget per pupil enrolled.

Sources: *School budget and enrollments:* State of Louisiana (1890, 1910); *adult males:* U.S. Census Office (1895), U.S. Bureau of the Census (1913); *assessed wealth:* State of Louisiana (1892b, 1912b).

sion of local school revenues took place after disenfranchisement in Louisiana.

Further evidence on school revenues is shown in Table 3.1, which contains cross-sectional, county-level regressions of per pupil budgets for 1890 and 1910. In 1890 the number of adult males per child (the poll tax) was the most significant determinant of county-level variation in per pupil budgets. Budgets were lower in the black belt and higher in wealthier parishes, but neither coefficient was statistically significant. In 1910 it was racial composition and wealth that mattered most; both coefficients were large in magnitude and were statistically significant. Predominantly black counties had significantly lower per pupil budgets, and richer counties spent more per pupil. Thus, after disenfranchisement, race and wealth became the dominant determinants of variations in school budgets. Black-belt whites did not need local taxes; they could rely on state aid and the police-jury appropriation. In counties with fewer blacks to exploit, budgets could be raised, provided the whites in question were middle class and interested enough to better their children's schools. In poor counties the white schools fell behind.

In his report for 1926, the state superintendent of education published a lengthy discussion of educational progress in Louisiana since the turn of the century. Page after page recounted the improvements that had been made in the white schools: longer school terms; large, modern structures that had replaced one-room buildings; increases in teacher salaries; better-trained teachers; and a remarkable growth in enrollment in the higher elementary grades and in high schools. When the superintendent got to the schools for black children, there was much less to say. After displaying a table showing how the gap between the average annual salaries of black and white teachers had increased from \$99.00 in 1900 to \$600.00 in 1925, the superintendent defended the disparity. Black teachers were less qualified, the black schools were open

fewer months than the white schools, the vast majority of black children attended the elementary grades, which were cheaper to staff. Why was this the case? "The development of the negro schools," the superintendent explained, "has been as rapid . . . as it should have been, for it has been in keeping with public sentiment. . . . No institution can be developed very much beyond the public opinion on which its success depends" (State of Louisiana 1926, 39).

3.3 Myrdal's Paradox

The disenfranchisement hypothesis is straightforward and persuasive. Stripped of the ballot box, blacks lost a weapon that had previously ensured them a claim on school revenues. Even if blacks had retained the franchise, the Louisiana regressions suggest that the black-to-white spending ratio probably would have declined after the turn of the century, as the demand for better white schools increased. But disenfranchisement was crucial. Without access to the ballot, "appropriations for Negro schools [were] . . . entirely dependent upon the local sentiment of the white school board" (Jones 1917, 28). Disenfranchisement made "progressivism for middle-class whites"—better white schools—cheaper to finance.

The sentiment expressed by Louisiana's state superintendent was typical. Superintendents in black-belt counties knew that the improvements in the white schools had come at the expense of the black children. "The money allocated to the colored children is spent on the education of white children," bragged one local superintendent. "We have twice as many colored children of school age as we have white, and we use their money. Colored children are mighty profitable to us" (Washburne 1942, 111).

In other counties, improvements in the white public schools did not come so cheaply. There, had the question been posed to white middle-class taxpayers, equalizing the level of expenditures in the black schools to the level prevailing in the white schools would have been unthinkable. "The colored race," explained one school official, "is only capable of receiving and profiting by an elementary education, which costs comparatively much less than that suitable for the white race in its more advanced stages of civilization" (U.S. Bureau of Education 1893, 1075). Racist and self-serving as such statements are, they contain a sad grain of truth. School officials kept the black schools open for fewer months than white schools because they reasoned that black parents would not keep their children in school as long as white parents.¹³ In cotton counties the black schools might not open until after the harvest and many of these schools were closed during spring planting season. Black families were poorer, on average, than white families. The labor of black children was valuable in agriculture, or at home, or in some other endeavor. This was especially true of older children. Only relatively well-off black parents could afford to send their children to a private high school or to a public one, if available.

Behind this truth lay another. A well-educated black populace was a threat to the social and economic order which placed blacks at the bottom, below poor whites. If blacks had access to good schools, the order might be disrupted. "We must have more money," shrieked a county superintendent in Georgia. "Something is necessarily obliged to be done or the whites will not keep up with the darkey."¹⁴ The Shreveport, Louisiana *Weekly Caucasian* stated that black illiteracy was a problem but (oddly) that "education [was] the most dangerous remedy for the evil yet proposed. That education is a long stride toward social equality no sane man can doubt" (Hair 1969, 127). For every white who believed the black public schools were money down the drain, others could be found who were surprised by the tremendous sacrifices black parents made to send their children to school. "The colored people manifest a great desire to have their children educated," marveled a Georgia school official. "Their schools are overflowing whenever opened" (U.S. Bureau of Education 1893, 1079).

Later I shall demonstrate that there was reason behind the sacrifices of black parents (Chapters 6 and 7). Schooling offered blacks a way out of the rural South. "The old Negroes," as one North Carolina school official explained, "went earnestly to work to learn to read. They failed . . . but they resolved that they would secure education for their children, and with this special end in view, the escape from manual labor" (1893, 1080). Cheap, uneducated black farm labor helped fuel the prosperity of black-belt whites (Mandle 1978; Wright 1986). The labor was cheap because there were few alternatives for blacks in black-belt counties.

At the heart-of the matter lay a conflict between the separate-but-equal doctrine (see Chapter 5) and the tax burden of segregated schools. Much attention has been devoted to whether white taxpayers were still subsidizing black schools after disenfranchisement (as most whites believed) or whether blacks were subsidizing white schools (as many blacks believed). Recent studies have not reached a consensus, but none has argued that a subsidy from blacks to whites could have been very large in per capita terms (Smith 1973; Kousser 1980a; Pritchett 1989). But there is no doubt that, had the equal part of separate-but-equal been a reality *and* had the increase in expenditures in the white schools occurred as it did, a massive subsidy from whites to blacks would have been required.¹⁵ According to the letter and spirit of constitutional law, the price of *de jure* segregated schools was supposed to be equal schools, but there was little early in the century to compel southern whites to pay the price.¹⁶ Discriminatory funding of black schools persisted because racial inequality enjoyed widespread political, social, and economic support among whites, there was little southern blacks could do about it at the polls, and the courts were not yet an option.

Yet, as compelling as the disenfranchisement hypothesis is, it has a serious flaw. Once blacks were disenfranchised, why should a school board in Mississippi have spent anything at all on the black schools? Funding of black public

schools did not disappear after disenfranchisement; indeed, the black-to-white ratio of per pupil spending remained roughly constant from 1910 to 1940, when real expenditures per white pupil were increasing (Chapter 2). "The great wonder," Gunnar Myrdal pondered, "is that the principle of the Negroes' right to public education was not renounced altogether. But it did not happen" (1944, 888).

It is important to recognize what Myrdal's paradox is *not* about. It is not about the elimination of all black schools per se. Black private schools, particularly above the elementary grades, were substitutes for public schools. Black parents contributed large amounts of money, goods, and services to supplement meager allocations of public school funds; these additional resources were rarely included in official school budgets. The puzzle is why *public* school funds continued to flow to the black population at all. There are several partial solutions to Myrdal's paradox; although each taken separately is inadequate as the sole explanation, together they provide a satisfactory resolution.

The first response to Myrdal's query is his own. However deep the racial prejudice, southern whites still believed in the "American Creed." Access to public schools, which provided the means towards upward mobility in the American economy, were fundamental to the creed. "The American Creed," Myrdal declared, "showed itself strong enough not to allow the sacred principle of public education [for blacks] to succumb in the South" (1944, 889). In evaluating Myrdal's solution, the issue is not whether southern whites believed in "equal" schools. The issue is whether southern whites believed blacks had a "right" to some type of public education.¹⁷ Was adherence to this limited form of the creed really as widespread in the South as Myrdal asserted? Literary evidence can be found on both sides of this question but, to the best of my knowledge, no quantitative surveys of opinion were ever taken. It is true, however, that vocal opposition to black elementary schools declined as the century progressed, which is consistent with Myrdal's creed solution.

But the strongest argument against the creed solution is that it is redundant. Even if school officials were not constrained by guilt, there were other incentives prodding them in the same direction, such as the threat of legal intervention under the separate-but-equal doctrine. Local officials enjoyed wide latitude in interpreting the doctrine as they saw fit (or ignoring it altogether), and the monetary and nonmonetary costs of bringing suit in cases of alleged violations were considerable (Chapter 5). But an utter violation of the doctrine at the elementary school level—a total elimination of public funding—was so obviously unconstitutional that it is doubtful it would have been tolerated for long on a region-wide scale.¹⁸ Not even the state courts of the South, which were hardly partial to black causes, would have winked at this sort of denuding of separate-but-equal.¹⁹

Yet the argument about court pressure must be made with care. The threat of court action created a lower bound under which funding for the black schools would not have fallen, on average. It is arguable that the lower bound

was rising over time, to prevent the racial gap in school quality from becoming too large (and thus vulnerable to court action) as the white schools improved. But, whatever the lower bound was, some school boards were spending more, because there was considerable spatial variation in the resources devoted to black schools (Jones 1917; Bond 1934; Johnson 1941; Pritchett 1986). School boards could have reduced expenditures on the black schools and used the savings to benefit the white schools or to cut school taxes, but some did not.

In addition, there is the Supreme Court case of *Cumming v. Richmond County, Georgia* in 1899 (see Chapter 5). The Court supported the decision of a Georgia school board to shut down a public high school for blacks, ostensibly to ensure adequate funds for black elementary pupils, who were greater in number and (from the Court's perspective) need. In effect, *Cumming* meant that school boards were under no legal obligation to provide black public high schools, because such a defense might always be proffered. And, in the immediate aftermath of *Cumming*, most school boards did not provide them, as Jones's (1917) study demonstrated. Yet the number of black high schools increased steadily after World War One, although *Cumming* was still (ostensibly) the legal precedent.

Contributions by philanthropic foundations are another solution to Myrdal's paradox. Such contributions were made typically on a matching basis, thereby stimulating additional expenditure of state and local funds on the black schools.²⁰ Among the organizations so dedicated, the Rosenwald and Jeanes Foundations deserve special recognition.²¹ The Rosenwald Foundation provided millions of dollars to finance the construction of new school buildings for black children. The Jeanes Foundation paid for specially trained teachers to visit the rural schools, work with teachers to improve the curriculum, and generally upgrade the quality of instruction.

A related solution involves the "bureaucratization" of southern schools. As the century progressed, day-to-day management of southern public schools passed from the hands of local officials to professional educators, many of whom were more liberal than the politicians they replaced (Harris 1985). In North Carolina, greater spatial inequality in white expenditures (and greater racial disparity) after disenfranchisement led to demands in some counties for increased state control over local school boards. State officials used the opportunity to increase their authority and to "coerce local officials into improving [the] Negro schools" (Westin 1966, v). State education departments appointed special agents who served as advocates for greater funding for the black schools, as ombudsmen, and as liaisons to the black community and to philanthropic foundations.²²

Another answer invokes the potential economic benefits to southern whites from a better-educated black labor force (Freeman 1973). White taxpayers were willing to foot some of the bill for the black schools as long as the sort of education provided raised the return on white-owned capital or was consist-

ent with reigning beliefs about proper roles for blacks in the Southern economy. Literary evidence supporting Freeman's argument is easy to find. "We want [Negroes] to become better cooks, better servants, better washwoman, better workmen in field and farm and shop. We will cheerfully pay taxes to give him that sort of schooling" (1973, 35). A white school official stated that "those in charge of negro education do not lose sight of the environment in which negroes are required to live and work." Yet another explained that "the colored people must not lose sight of the fact that manual labor . . . will be their lot to a larger degree than that of the white people. . . . Let them . . . show that education does not spoil them as laborers. . . and all the help they need . . . will be extended to them" (U.S. Bureau of Education 1893, 1080).

Whether blacks should receive an "industrial" versus a "classical" education was debated within the black community. The debate reached its zenith in the famous confrontation between Booker T. Washington and W. E. B. Du Bois. Washington believed it was in the blacks' best interest to acquiesce to segregation in the short run. By learning the manual arts and industrial skills, blacks could gradually improve their economic lot, at which point they could become a political and social force to be reckoned with. The more radical Du Bois rejected Washington's arguments, claiming that industrial education would merely prepare blacks for a new kind of slavery.

The issue of industrial education, however, has received more attention in the history books than it ever did in real life. Washington's version of industrial education included less true industrial training than he claimed (Spivey 1978). White school officials spoke of the need for industrial education, but devoted relatively few resources to it. In retrospect, the reason is clear—there was a "free-rider" problem. If employers were to support industrial education on a grand scale, they would have to be assured there would be some return on their investment. In the best of circumstances, the return would be delayed into the future when black children entered the labor force. But there was no way to prevent the blacks from leaving the region where they had been educated. An education was a ticket out of the rural South, and everyone knew it. The incentive worked in the opposite direction. By keeping the black schools relatively impoverished, much of the region's labor force could be kept at home, down on the farm.

The goal of maintaining a cheap labor force in the long run, however, was inconsistent with the goal of attracting labor in the short run. The final resolution of Myrdal's paradox is the mobility model (Margo 1990). Black families would leave an area if the provision of schools for their children were seriously threatened. "The white people must not lose sight of the fact," explained one school official, "that it is the labor of a country that makes its wealth and that . . . the education . . . of the children of the laborers is a proper charge upon the property of any country. . . . With good schools . . . there will be less incentive for the country people to crowd into the cities and towns to educate their children" (U.S. Bureau of Education 1893, 1080). Un-

fortunately for employers, the best workers tended to be those who were most interested in their children's schooling. "Already there has been a considerable emigration of the Negroes," wrote J. W. Joyner, state superintendent of North Carolina's public schools, less than a decade after blacks had been disenfranchised in his state:

There is no surer way to drive the best of them from the state than by keeping up this continual agitation about withdrawing from them the meager educational opportunities that they now have. Their emigration in large numbers would result in a complication of the labor problem. Some of our Southern farms would be compelled to lie untenanted and untilled. The experience of one district in Wilson county illustrates this. The county school board found it, for various reasons, impossible to purchase a site for a Negro school house. Before the year was out the board received several offers from farmers in the district to donate a site. Upon inquiry by the chairman of the board as to the reason for these generous offers, he was told that when it was learned that no site for the school house could be secured and the Negroes were to have no school in that district, at least one-third of the best Negro tenants and laborers there moved into other districts where they could have the advantages of a school. This is a practical side of this question that our people would do well to consider. What happened in this district will happen in the entire state if we give the best Negroes reason to believe that their public school privileges are to be decreased or withdrawn. (1910, 54)

In the second decade of the twentieth century, a "considerable emigration of Negroes" took place; Joyner's fears were confirmed. Later I shall show that the Great Migration drew its ranks disproportionately from the better-educated segments of the black population (Chapter 7). Black outmigration seems to have prompted the following discussion at a school board meeting in East Feliciana Parish, Louisiana, in 1926:

That the Negroes are an economic asset would not be challenged. That they have been leaving the parish for the past twenty years has clearly been shown by the data from the census reports. That they emigrate because of meager school conditions cannot be proved, but the consensus of opinion among both white and Negro leaders . . . is that one of the most potent influences that can be brought to bear in retaining them is the provision of reasonably satisfactory school facilities. . . . The parish must provide better schools and longer terms or the exodus of Negroes will continue, perhaps at an increasing rate. (Foote and Robertson 1926, 20-21)

The loss of black labor was not the only loss in this parish. "The continued residence of the Negro population has an important bearing on the school revenues, because the Negro educables now bring into the parish from the state school fund \$20,000 more than is now expended for Negro education" (1926, 21).

Meetings like the one in East Feliciana parish took place throughout the

South after the onset of the Great Migration, and similar opinions were voiced. The initial improvements in the black schools, in the form of longer school years and the provision of high schools, occurred in the 1920s, once the permanent nature of the migration became clear. Some firms went so far as to supplement expenditures in the black schools to attract (or keep) a high quality, stable workforce (Bond 1939; Fishback 1989).

Black mobility was a threat in the case of the elementary schools, because the school districts numbered in the thousands, were geographically small, and were dispersed over a large area. School boards might have “colluded” by forming one gigantic governmental unit—an educational cartel—but the usual difficulties of enforcing collusive arrangements when the number of participants was large would have offset any gains from an even lower level of expenditures on the black schools. Collusion would have been difficult across state lines and impossible across the Mason-Dixon line.

When the efficient scale of public funding was large relative to the spatial dispersion of the black population and its per capita demand for education, and when the private sector responded to some extent (as was the case with higher education), the threat of exit was a feeble weapon. The loss of the small number of blacks who left the South to go to law school, for example, did no damage to the southern economy. It was far cheaper to provide out-of-state scholarships to black students rather than open separate-but-equal facilities (Tushnet 1987). Exit, in other words, was no substitute for political voice and adherence to the equal clause of the separate-but-equal doctrine.

Thus, despite the impact of disenfranchisement, the “supply curve” of black public schools was not fixed and unchanging, unresponsive to “market forces.” Successive generations of black parents, better educated than previous generations, desired more and better public schools for their children—and the system responded, albeit slowly and grudgingly.

In some states, especially in the Upper South, the various institutions and incentives that make up the solution to Myrdal’s paradox were sufficient to cause the black-to-white spending ratio to begin a slight upward trend after World War One (see Tables 2.5–2.7). But, in the region as a whole, the institutions and incentives were not enough to force an equalization of school expenditures. Pressure for equalization finally came from a conjunction of long-term trends, forces outside the South, and events beyond the region’s control. In the 1920s the National Association for the Advancement of Colored People (NAACP) began a concerted legal campaign to end educational discrimination in southern schools (Tushnet 1987). In the early 1930s, poor economic conditions forced cutbacks in public school funds in the South, and the black schools bore the brunt of the decline (Westin 1966; Tyack, Lowe, and Hansot 1984). Frustrated by the lack of progress and by the reductions, blacks became increasingly willing to turn to the courts. The initial court battles, focussing on desegregation of higher education and the elimination of separate wage scales for black and white teachers, were fought in the late 1930s and

early 1940s (Kluger 1977; Tushnet 1987; Chapter 4). In addition, periodic monitoring of the black schools by the U.S. Office of Education; the various studies by black scholars such as Du Bois, Horace Mann Bond, Charles Johnson, and others; and Gunnar Myrdal's *An American Dilemma* were instrumental in disseminating information about conditions in southern schools to a wide audience. During World War Two the "dilemma" of race relations, including educational discrimination, became a subject of national (and federal) concern (Vatter 1985). By the late 1940s, when it became clear that the legal tide and public opinion were turning against it, the South responded by paying closer attention to the equal part of separate-but-equal, fearing the loss of the separate part (Black and Black 1987). But by then it was too late: the NAACP had switched to a different strategy—*de jure* segregation was morally wrong—a strategy that would culminate successfully in *Brown v. Board of Education* in 1954.

3.4 Summary

In the late nineteenth century the black-to-white ratio of per pupil expenditures in southern public schools declined as a consequence of black disenfranchisement and growing demand for better white schools. Although public school funds continued to flow to the black population after disenfranchisement, the forces that ensured the flow would continue were poor substitutes for voting rights and enforcement of the law. Ultimately it took political weapons (the NAACP, the courts, and public opinion) to fight an injustice that was caused by political upheaval in the first place.

I have focussed in this chapter on racial differences in per pupil expenditures. Chapter 2 suggested, however, that racial differences in wages paid to teachers were an important proximate cause of racial differences in per pupil expenditures. To complete my analysis of the political economy of segregated schools, the next chapter examines the determinants of racial differences in teacher salaries.